



Schools Forum
21 February 2018

**Report from the Strategic Director
of Children and Young People**

**Dedicated Schools Grant Pupil Demand Task and Finish
Group 2018/19**

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Two: <ul style="list-style-type: none"> • Impact of Growth Funding Options on an individual school • Projected Pupil Numbers and Required Growth Funding
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 Following a report to Schools Forum in December 2017, it was agreed that the current growth model for primary expansion would be retained. A growth model for secondary schools was agreed in principle, with a final methodology and recommendations to be presented to the Schools Forum in February.
- 1.2 Schools Forum also agreed to retain rising rolls funding for primary schools and for secondary schools, but not to implement a falling rolls fund. The rising rolls funding is considered in conjunction with the growth funding models.
- 1.3 This report provides the Schools Forum with details of funding mechanisms for secondary growth recommended by the Pupil Demand Task and Finish Group.

2.0 Recommendations

- 2.1 For secondary schools that expand in response to the basic need to accommodate pupils, by 30 places or more, a pupil number variation will be applied in the first year of growth, based on the number of planned places.
- 2.2 Increases in actual pupil numbers in subsequent years will then be funded by the rising rolls mechanism.
- 2.3 The threshold for triggering rising rolls will change from 1.75% to an absolute value of 15 pupils per secondary school.

3.0 Detail

- 3.1 Projections in secondary pupil numbers in the 'Pupil Demand and Pupil Growth Support' paper from October 2017 suggest a shortfall of up to 12 forms of entry by 2023/24.
- 3.2 The Education and Skills Funding Agency has approved two free schools that would, if both delivered, contribute significantly to places needed. However, due to the risks associated with finding suitable sites, it is likely that some school expansions of permanent additional forms of entry and temporary bulge classes will be required to accommodate this growth.
- 3.3 The Pupil Demand Task and Finish Group recommended that secondary schools be supported where they are expanding their published admission numbers (PAN) in response to basic need in consultation with the Local Authority and with the approval of the Regional Schools Commissioner. The recommendation was to support expansions of 30 places or more to address the issues of lagged funding and to ensure that schools have sufficient resources to accommodate the growth. Two models that were proposed for funding secondary phase growth to accommodate basic need are outlined below:

Option 1: Payment of a lump sum to schools in the year in which the growth occurs calculated on the Average Weighted Pupil Unit (AWPU) rate.

Option 2: A pupil number variation to the funding formula in the year in which growth occurs. This would be based on growth that is planned and known in December for the following September.

In subsequent years, it is proposed that growth will be funded from the rising rolls contingency, providing the threshold has been met. This is explained further in section 5.

- 3.4 The impact of the two options on an individual school are shown in Appendix A, which presents a scenario whereby a school has been requested to expand by two forms of entry. Since both models will be funded at the school's AWPU rate, the school would receive the same amount of funding for either option. However, the method and timing of payments would differ.
- 3.5 The financial impact of these models on the total growth and rising rolls fund is shown in Appendix B. This is based on secondary pupil number projections presented to the schools forum in October 2017, and suggests that the largest

pressure on the growth funding will occur in 2022/23, with £2m projected growth fund expenditure if all of the future demand had to be met through school expansions.

4.0 Recommendation: Option 2

- 4.1 Option 2 is recommended. The pupil number variation in the first year would be simple, transparent and provide a guaranteed cash flow boost in the first year of growth, providing a school that is expanding with a degree of certainty on their growth funding.
- 4.2 The pupil number variation would result in an increase to the school's budget share payment, which is paid to schools on a monthly basis. This would provide a simple and consistent cash flow increase to the school.
- 4.3 In subsequent years, payment based on rising rolls would ensure funding is provided to schools based on annual increases in actual pupil numbers as measured in the October census. The rising rolls mechanism will ensure that these schools are treated equally in comparison to other schools which experience increases in pupil numbers, and that funding follows pupils. This is less complicated than other mechanisms as it is based on current census data. It is also a more agile mechanism which takes into account the overall growth in a school, across all year groups.
- 4.4 Any schools which experience increases in pupil numbers where this is not required to meet basic need would not receive a pupil number variation, but would receive rising rolls funding providing they have reached the threshold.

5.0 Rising Rolls Threshold

- 5.1 The current threshold for triggering a rising rolls payment is a 1.75% increase in pupil numbers between school census counts and this applies to all schools.
- 5.2 The Task and Finish Group noted that 1.75% equates to a much larger number of pupils in secondary schools than primary, and the actual number of pupils that this percentage equates to would vary greatly depending on the size of the secondary school. This is demonstrated in the below table, which shows the rising rolls trigger point for each school for 2018/19 (based on pupil numbers from the October 2017 census). The threshold ranges from 8 pupils (in Michaela Community School) to 29 pupils (at Kingsbury High School).

5.3 Table 1: 2018/19 Trigger points for rising rolls, based on the 1.75% threshold

School	Secondary Pupil Numbers (October 2017)	1.75% threshold (pupil numbers)
Ark Academy	889	16
Preston Manor School	1,259	22
Alperton Community School	1,153	20
Ark Elvin Academy	832	15
Capital City Academy	977	17
Claremont High School	1,298	23
Convent of Jesus & Mary Language College	853	15
JFS	1,480	26
Kingsbury High School	1,663	29
Michaela Community School	479	8
Newman Catholic College	517	9
Queens Park Community School	1,060	19
St Gregory's Catholic Science College	895	16
The Crest Academies	951	17
Wembley High Technology College	1,068	19

5.4 The Task and Finish Group asked the Local Authority to consider allocating a different percentage for each sector, or to use an absolute value instead of percentage. It is not proposed that the threshold for primary schools to trigger access to rising rolls funding changes. However, for the secondary sector, it is recommended that the threshold is changed to an absolute value of 15. This threshold is lower than the current trigger point for the majority of secondary schools, which means that on average, more secondary schools would qualify for rising rolls funding in future than under the 1.75% threshold.

6.0 Financial Implications

6.1 The financial implications have been included throughout this report.

7.0 Legal Implications

7.1 The proposals in this report have no legal implications.

8.0 Equality Implications

8.1 The proposals in this report have no equality implications.

9.0 Consultation with Ward Members and Stakeholders

9.1 Not applicable.

10.0 Human Resources Implications

10.1 The proposals in this report have no staffing implications.

Report sign off:

GAIL TOLLEY

Strategic Director of Children and Young People